This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 08 TEL AVIV 001871

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA HQ USAF FOR XOXX DA WASHDC FOR SASA JOINT STAFF WASHDC FOR PA USCINCCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR COMSOCEUR VAIHINGEN GE FOR PAO/POLAD COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

E.O. 12958: N/A
TAGS: <u>IS KMDR MEDIA REACTION REPORT</u>
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

The Jerusalem Post reported that the US will oppose European attempts to use the new money transfer mechanism created by the Quartet to pay the salaries of PA employees. The newspaper wrote that US administration sources have made it clear in the past two days that the agreement reached by the Quartet on Tuesday does not compel the US to agree that international funds will be used to pay salaries of all or part of the 165,000 PA employees. Israel Radio reported that Arab League Secretary-General Amr Moussa informed PA Chairman [President] Mahmoud Abbas that the League is unable to transfer money to the PA because of American banks' fear of retribution.

Major media reported, and Yediot bannered, that PM Ehud Olmert reprimanded Defense Minister Amir Peretz, following the latter's demand that the GOI engage in a dialogue with Abbas. Yediot reported that Olmert told Peretz that he will decide whether to meet with Abbas. The Jerusalem Post and Israel Radio reported that Israeli defense sources advised Peretz to authorize additional measures at the Erez and Karni crossings to ease the Palestinians' lives, and that Peretz said that those would be taken provided the circumstances are favorable. Maariv quoted Tourism Minister Yitzhak Herzog (Labor) as saying that he will not support convergence "like a foolish fan" and that the option of dialogue with a Palestinian partner, if he exists, should be explored first.

Israel Radio quoted Khaled Mashal, the Damascus-based head of Hamas's political bureau, as saying that Hamas and Fatah should join forces against Israel instead of fighting each other. The radio said that Mashal refrained from referring to an agreement reached between Fatah and Hamas leaders imprisoned in Israeli jails (cited in the major media), which reportedly includes recognition of Israel in the 1967 borders.

The Jerusalem Post reported that the PA's new 3,000strong police force, under the proposed command of Jamal Abu Samhadana, one of Israel's most wanted terrorists, is set to formally become operational in Gaza this Sunday.

Israel Radio quoted Undersecretary of State for Political Affairs Nicholas Burns as saying Thursday at the Washington Institute for Near Eastern Policy that if Iran did not comply with the demands of the international community, the US would consider by the end of the year alternative ways to deal with the crisis. The radio said that this was the first time a US official mentioned a timeframe in the Iranian nuclear program conundrum.

Israel Radio reported that an activist of the Al-Aqsa Martyrs Brigades was killed in a clash with IDF troops

in Nablus. Yediot reported that around one month ago, the Shin Bet and IDF thwarted the formation of a terrorist group that planned to kidnap soldiers. Two Hamas activists from the Gaza refugee camp of Jebalya were arrested in the case. They had infiltrated Israel from Egypt and were on their way to the West Bank.

Maariv reported that a group of former settler leaders plans to create a new body that would be a moderate alternative to the Yesha Council of Jewish Settlements in the Territories. Hisdai Eliezer, the head of the local council of Alfei Menashe, is the initiator of the move.

Yediot and Maariv quoted MK Ibrahim Sarsur (United Arab List/Arab Movement for Renewal), who heads the southern branch of Israel's Islamic Movement, as saying Thursday at an inter-religious meeting that he supports the presence of Jews who will be willing to remain in the territory of a future Palestinian state.

Venezuelan President Hugo Chavez was quoted as saying Thursday in Rome in an interview with Maariv that he is not anti-Semitic and that he recognizes the legitimacy of the Palestinian regime. He was also quoted as saying that were Iran to be attacked, it should stop supplying oil, and that Venezuela would do so if it were attacked.

The Jerusalem Post quoted Menderes Turel, the Mayor of the Turkish coastal city of Antalya as saying this week that Turkey and Israel are negotiating the construction of a multi-million-dollar energy and water project that will transport water, electricity, natural gas, and oil pipelines to Israel, with the oil to be sent onward from Israel to the Far East.

Ha'aretz reported that leading Israeli Holocaust researcher and Israel Prize laureate Yehuda Bauer told the newspaper this week that despite the lessons of World War II, Israel is as likely to commit genocide as any other nation.

Ha'aretz's top story reported on a decision expected to be made today by ultra-Orthodox United Torah Judaism's (UTJ) leading rabbis about whether the party will join the coalition in exchange for Kadima's offer to increase child allowances by 400 to 500 shekels (around USD 90 to 115) a month for families with at least four children. Yediot reported that UTJ's entrance into the coalition would cost the state around one billion shekels (approx. USD 225 million).

All media, except the ultra-Orthodox newspapers, highlighted the death on Thursday of writer, actor, and singer Yossi Banai, one of Israel's most beloved and admired artists, at 74 after a serious illness.

Yediot reported that a senior food critic wrote in the "leading American web site" Star Chefs that Israel has turned into one of the most interesting culinary destinations in the world.

Leading media reported on the affair of "call detail records," information which has enabled US intelligence agencies to track who calls whom, and when.

Major media reported on the death of New York Times editor A.M. Rosenthal on Wednesday at age 84.

Ha'aretz (English Ed.) reported that this week Democrats Abroad (DA), the US Democratic Party's international arm, launched an online registration wizard they hope will allow prospective voters to easily navigate complicated state regulations that have deterred some Americans from requesting an absentee ballot. The site, VotefromAbroad.org, is for all American expatriates who are eligible to vote, regardless of party affiliation. Ha'aretz (English Ed.) wrote that the American Embassy in Israel welcomed the developments. The newspaper quoted the Embassy Spokesperson as saying that the DA initiative is one of "several sites working to improve access to absentee voting."

Ha'aretz (English Ed.) reported that American retirees living in Israel are giving a lukewarm response to a new arrangement that allows for the direct deposit of their monthly Social Security payments into a local bank account. The newspaper cited claims by some retirees that they get their checks deposited into their American accounts for free. Ha'aretz (English Ed.) quoted officials of the American Embassy in Israel as saying that the USD 10 service charge is a "specially negotiated fee that is actually lower than would normally be charged by the Israeli banks, and is

lower than the fees usually charged to cash a paper check here in Israel."

Hatzofe cited a poll conducted by the Palestinian Center for Public Opinion over the first three days of April that over one-third (33.9 percent) of Palestinians are considering emigrating.

Mideast:

Summary:

Political parties commentator Sima Kadmon wrote in masscirculation, pluralist Yediot Aharonot: "The American consent [to Olmert's convergence plan] is an axiom for Israel. Without us, nothing remains of the plan."

Contributor Rafael D. Frankel wrote in the conservative, independent Jerusalem Post: "[President Bush and Prime Minister Olmert's] need for one another could be the biggest advantage they both have."

Senior columnist Dan Margalit wrote in popular, pluralist Maariv: "Thank you, Europeans and Americans of the [Jimmy] Carter kind, who have unwittingly paved the road for the convergence plan."

Arab affairs commentator Danny Rubinstein wrote in independent, left-leaning Ha aretz: "Hamas evidently finds it hard to admit to the concessions it is being compelled to make under heavy Arab and international pressure."

Hebrew University Political Science Professor, liberal contributor Zeev Sternhell wrote in Ha'aretz: "The job of a far-seeing government is to stop the deterioration [of Israeli-Palestinian relations] and to offer the rulers of the Palestinian Authority a life preserver."

Block Quotes:

¶I. "Going Without, Returning With"

Political parties commentator Sima Kadmon wrote in masscirculation, pluralist Yediot Aharonot (5/12): "Olmert
will not hurry in Washington to declare that the
[convergence] plan will be implemented tomorrow
morning. The conversation will consist of formulating
the plan as an alternative idea: The road map is the
main plan, and convergence is its alternative. The
question is when the alternative will become the main
plan. In other words: When will the international
system understand that this is a dead end?...
[Olmert's] only way of keeping his hold on power is to
converge. First of all, because he promised. Because
he turned his plan into a referendum. But this is also
his only option for survival in the practical sense:
Convergence will put an existential national problem on
the agenda. It will postpone the preoccupation with
the regular matters with which a government deals....
This is an internal window of opportunity. The
external window of opportunity is Bush. We have two
years in which the President of the US is gradually
weakening, losing the backing of his people. The
American consent is an axiom for Israel. Without us,
nothing remains of the plan. This is the reason that
Olmert's first trip is so important. It marks the
beginning of a process, in the absence of which his
political future will be in danger."

II. "Funnel Vision"

Contributor Rafael D. Frankel wrote in the conservative, independent Jerusalem Post (5/12): "With Amir Peretz using his newly won pulpit as defense minister in loud support of talking to Abbas, and the Europeans increasingly speaking out against further unilateralism on Israel's part, the politics of 'convergence' are growing more problematic by the day. Add to that the price tag it is likely to cost the US and Europe ... and its shelf life as the main, viable option for Israel going forward appears increasingly in danger of expiration, Olmert's upcoming trip to Washington, therefore, once sold as s mere 'getting to know you' jaunt by the newly elected Israeli prime minister, is taking on added weight. If Olmert does not come back from the American capital with a strong wind in his sails for 'convergence,' the plan may whither on the vines back home before a second round of

talks with President George W. Bush -- previously assumed to be the time when a grand deal would be struck-- can materialize. In this aspect, the two leaders' need for one another could be the biggest advantage they both have."

III. "Hamas Can Bend"

Arab affairs commentator Danny Rubinstein wrote in independent, left-leaning Ha'aretz (5/12): "The Hamas spokesman in Gaza was dismissive of the national consensus document signed by prisoners' representatives from all Palestinian organizations -- but the document is, nevertheless, en important one. This is how it is viewed by Palestinian Authority Chairman Mahmoud Abbas, who welcomed it, and the document will apparently provide the basis for the Palestinian national dialogue slated to take place in 10 days... Hamas spokesmen have employed a more moderate tone in recent days and some have already mentioned they are prepared to accept a state within the 1967 borders... Nevertheless, they hardly made mention of the document on Thursday -- in contrast to the enthusiastic praise from Fatah spokesmen. Hamas evidently finds it hard to admit to the concessions it is being compelled to make under heavy Arab and international pressure."

IV. "The Carter Legacy"

Senior columnist Dan Margalit wrote in popular, pluralist Maariv (5/12): "Any experienced observer knows that [former US President Jimmy] Carter's article [in The New York Times this week] anticipates the collapse of the European-Western protective barrier against the Hamas regime and the resumption of the flow of money to Palestinian terrorism.... But good things could come out of the bad ones. A Hamas government with coffers full of money might stiffen its neck. If there is money, there is no flexibility. This would boost the need to carry out the unilateral convergence move.... Thank you, Europeans and Americans of the Carter kind, who have unwittingly paved the road for the convergence plan. But the only condition for its implementation would be Ehud Olmert selling it to George W. Bush and Condoleezza Rice. The Prime Minister ... has started talking about unilaterally setting 'defensible lines' instead of 'permanent borders.'"

1V. "Before Another 30 Years Go By"

Hebrew University Political Science Professor, liberal contributor Zeev Sternhell wrote in Ha'aretz (5/12): "It is true that the Palestinians have always been their worst enemy, but at the same time, they keep dragging Israel into dead-end situations. The job of a far-seeing government is to stop the deterioration and to offer the rulers of the Palestinian Authority a life preserver. So far, Israel has tried every method in its approach to the Palestinians, except for a little generosity.... This is where the new Labor Party comes into the picture. The current coalition could go down in history in the Golden Book, or it could crash with a loud bang. It all depends on three elements: the degree to which the Likud people in Kadima, headed by Olmert, sincerely wish to put an end to the long war; the loyalty of Labor to its platform and voters; and the government's ability to look ahead and read the global map.... It is reasonable to assume that the start of the campaign for the presidency [in the US], no matter who the two candidates are, will symbolize the end of the neoconservative reign in Washington."

JONES